

**REMARKS**

In accordance with the foregoing, claims 4 and 8 have been amended to improve clarity and to correct the defects therein noted at item 3 of the outstanding Office Action. Additionally, new claims 9 and 10, further defining what the inventors consider to be their invention, are added. No new matter is presented in the foregoing amendments, approval and entry of same is respectfully requested.

Claims 1, 3, 4, 7 and 8 stand rejected under 35 U.S.C. §103 as being unpatentable over Arnold et al. in view of Hartman, Jr. In light of the following remarks, the rejection is respectfully traversed.

One of the key features of the present invention is the provision of an input switchover means and an output route switchover means. The input switchover means selects an input route according to the type of meeting or communication apparatus via which data is received. The output route switchover means receives either encrypted or non-encrypted data from the input switchover means and then outputs the encrypted data to a software management means, while outputting the non-encrypted data to a data conversion section. Looking at independent claims 1, 7, 9 and 10, it can be seen that the software management means not only decodes the encrypted software data, but also manages monetary charges according to the usage of the software data. As non-encrypted data bypasses the software management means, no monetary charges are executed for such non-encrypted data. One of the things to note about this limitation is that the monetary charges are managed according to "the usage of the software data." In other words, it is not managed merely according to whether the data has been downloaded, but rather based on the usage, for example, the reproduction of the data.

Arnold et al. is solely directed towards computer systems incorporated cryptographic and/or architectural features to inhibit unauthorized copying, usage, or

cracking of proprietary software. Arnold et al. is not directed towards managing monetary charges according to the usage of the software.

The Examiner admits that Arnold et al. does not teach the use of distinct input and output switchovers. One of the main reasons that such switchovers are not taught, is they are simply not required in Arnold et al. because it does not manage the monetary charges. Certainly, the first and second switchover means as claimed in claims 1 and 10 are neither needed nor suggested.

The Examiner is citing Hartman, Jr. as showing different I/O structures depending on the use of encrypted or non-encrypted data. However, Applicants note that the teachings shown in Hartman, Jr. at Figure 2 (as cited by the Examiner) do not disclose the multiple switchover means utilized by the present invention. Further, similar to Arnold et al., Hartman, Jr. does not teach software management means for decoding encrypted software data and for managing monetary charges (much less the software management means being one of two possible destinations selected by the output switchover means). Accordingly, given this utter lack of teaching in either reference, it is hard to see how the combination of these two references could render such a limitation obvious.

Accordingly, Applicants respectfully request the Examiner withdraw his rejection to claims 1, 3, 4, 7, and 8 under 35 U.S.C. §103.

Applicants also respectfully submit that new independent claims 9 and 10 have been adequately discussed above and are also not rendered obvious by the combination of Arnold et al. in view of Hartman, Jr.

In accordance with the foregoing it is respectfully submitted that all outstanding objections and rejections have been overcome and/or rendered moot. And further, that all pending claims patentably distinguish over the prior art, taken in any proper combination. Thus, there being no further outstanding objections or rejections, the

application is submitted as being in condition for allowance which action is earnestly solicited.

If the Examiner has any remaining informalities to be addressed, it is believed that prosecution can be expedited by the Examiner contacting the undersigned attorney for a telephone interview to discuss resolution of such informalities.

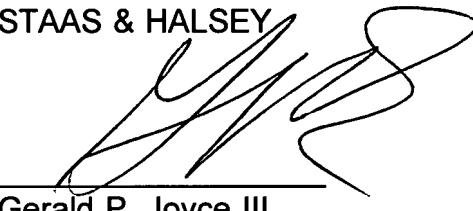
If any further fees are required in connection with the filing of this Amendment, please charge same to our Deposit Account No. 19-3935.

Respectfully submitted,

STAAS & HALSEY

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